

CITY OF LOS ANGELES

CALIFORNIA

Agenda Item No. 6

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



KAREN BASS
MAYOR

DEPARTMENT OF
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December 14, 2023

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, California 90012

Attention: Mandy Morales, Legislative Assistant

**REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE A
LEASE AGREEMENT WITH 1910 SUNSET BLVD. (LA), L.P. FOR OFFICE USE
AT 1910 SUNSET BLVD. SUITE P2 and 200, LOS ANGELES, CA 90026**

The Department of General Services (GSD) requests authority to negotiate and execute a lease agreement for the Los Angeles Housing Department (LAHD) with 1910 Sunset (LA) LP located at 1910 Sunset Blvd. Los Angeles, CA 90026, in Council District 13, to serve as a temporary expansion space at their current location.

BACKGROUND

LAHD has occupied 19,092 square feet of space on floors 3,4, and 7 at this location since 2019. The current space accommodates up to 80 staff members and shared space for additional inspectors for an approximate total of 155 employees at this site.

Space is needed for approximately 100 employees currently located at the Garland Building at 1200 W. 7th St. (Garland) as the current lease at Garland is expiring in February 2024. The expansion space at 1910 Sunset in suites P2 [(737 square feet (sf))] for inspectors and suite 200 (2,181 sf) for office use, will house these employees until a permanent leased location is negotiated and built out for these employees. While there are more LAHD employees being displaced from Garland, additional temporary space is being secured at another location for those employees.

TERMS AND CONDITIONS

The initial lease term is for 13 months with a month-to-month extension for a total of up to 18 months. The proposed monthly rental rate is \$3.60 per sf or \$10,505. The lease commencement is scheduled for the latter of January 15, 2024 or City Clerk's attestation with 50% rent abatement for months one and two. An additional nine parking passes for



unreserved spaces will be provided under this lease at \$125/month. Any additional parking needed would be purchased separately.

Additional terms and conditions are outlined on the attached term sheet.

MARKET ANALYSIS

Based on recent market analysis for similar type properties/uses in this area, the Fair Market Rental Rate ranges from approximately \$3.00 - \$4.75 per sf. Our negotiated rate for this deal is \$3.60 per sf. However, the current asking rate for this building is \$3.65/PSF.

Address	Rental Rate	Rentable Sq. Footage	Lease Type
2112 W. Sunset Blvd.	\$4.75/ sf	1,000 sf	Modified Gross
625 Alvarado	\$3.00/ sf	3,150 sf	Modified Gross
1910 Sunset*	\$3.65/ sf	700-2,2000	Modified Gross

*original asking rate

COMMUNICATION AND MOVING EXPENSE

LAHD will fund the communication and moving expenses. Housing will be taking the space as-is with no improvements needed to immediately occupy other than IT network connectivity. The offices have new carpet and paint. Furniture needed for the space will be moved from their Garland location.


FISCAL IMPACT

There will be no impact to the General Fund. LAHD funds 100% of this lease cost through Special Fund F440001 and Code Enforcement Fund F41M001.

	Monthly Proposed Costs	2023-24 Estimated Expense	2024-25 Estimated Expenses	13-Month Cost
Rent	\$10,505	\$52,524	\$73,534	\$126,058
Parking	\$1,125	\$6,750	\$7,875	\$14,625
Data, ITA		\$57,500		\$57,500
Move Costs		\$10,000		\$10,000
TOTAL	\$11,630	\$126,774	\$81,409	\$208,183

RECOMMENDATION

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate and execute a new lease agreement with 1910 Sunset Blvd (LA) L.P. at 1910 W. Sunset Boulevard, Los Angeles under the terms and conditions substantially as outlined in this report.



Tony M. Royster
General Manager

Attachments: Leasing Term Sheet

LEASING TERM SHEET

MFC DATE	12/14/2023
LANDLORD	1910 Sunset Blvd. (LA) LP
ADDRESS	4700 Wilshire Blvd. LA, CA 90010
TENANT	City of Los Angeles - GSD for LAHD
ADDRESS	111 E. First Street 2nd Floor, LA, CA 90012
LOCATION	1910 Sunset Blvd. - #200 (2,181 RSF) and P2 (737 RSF)
AGREEMENT TYPE	Lease
USE	Office
SQUARE FEET	2,918 RSF
TERM	13 months
RENT START DATE	14 days from the Letter of City Clerk's Attestation or 1/16/24 with an outside date for full signatures by 2/15/24.
LEASE START DATE	City Clerk's Attestation
OPTION TERM	MTM basis at \$3.70/PSF for up an additional 8 months
HOLDOVER	150% of then current Base Rent
SUBLET/ ASSIGNMENT	Right to transfer with consent and approval
TERMINATION	None
RENTAL RATE	\$3.60/PSF
ESCALATION	None
RENTAL ABATEMENT	50% off Month 1 and 2
ADDITIONAL RENT	None

PROPERTY TAX	None
OPEX	None
CAM	None
OTHER	None
SECURITY DEPOSIT	None
MAINTENANCE/ REPAIR	Landlord shall be responsible for all repairs and maintenance
TENANT IMPROVEMENTS	"As-is"
PARKING	3:1,000 - Currently at \$125/mo. for unreserved, Tenant may take and not committed to parking passes.
UTILITIES	Landlord shall be responsible for all utilities
CUSTODIAL	Landlord shall be responsible
SECURITY	Landlord shall be responsible, tenant may have its own security
PROP 13 PROTECTION	None
INSURANCE (City)	See Existing Agreement
OTHER:	
PRINT:	1910 Sunset L.P.
SIGNATURE:	